

December 2010

WORKERS' COMPENSATION NEWS

BWC Board of Directors Meeting – Administrator Ryan Resigns

Governor Ted Strickland visited the BWC Board of Director's to acknowledge the Administrator and Board members for their service to Ohio employers and injured workers. The Governor commended the Board for their role in bringing "stability, fairness and better service to Ohio's workers' compensation system."

During Executive Session of the November Board of Directors meeting, Administrator Marsha Ryan submitted her resignation as the Bureau of Workers' Compensations Administrator effective January 9, 2011 a day before Governor-elect John Kasich takes office.

The Board approved base rates and expected loss rates for Public Employer Taxing Districts (PEC). The approved rates will decrease overall premium for PECs by 5.5 percent and are effective January 1, 2011.

The BWC Board of Directors next meeting will be Thursday, December 16, 2010 at 8:00 a.m.

BWC Net Assets as of November 2010

BWC reported that as of October 31, 2010 their net assets were at \$5.1 billion, which is a \$1.4 billion increase from October 31, 2009 of \$3.7 billion.

Senator Buehrer BWC Administrator

Governor-elect John Kasich has selected Senator Steve Buehrer (R-Delta) to serve as administrator of the Bureau of Workers' Compensation.

"Reducing the cost of Workers' Comp is critical to reviving Ohio's economy and creating jobs. When the rates in other states are lower and when our system is a mess of red tape and anti-business processes, then the need for reform becomes urgent. I intend to fix it and Steve has the experience and the will to help in that effort."

Senator Steve Buehrer is serving his second term in the Ohio Senate 1st District and has served four two-year terms in the House previously. Sen. Buehrer was a former chief of Human Resource at BWC and is currently the chairman of the Senate Insurance, Commerce & Labor Committee, these position have given him the experience needed to be familiar with the complexity of Ohio's workers' compensation system and the recent rate reform initiatives BWC has introduced. The Senator has supported changes to the workers' compensation system cosponsoring SB 213, which would have restricted changes to BWC's group-rating discount program and additional requirements of the present administrator.

As chairman of the Senate Insurance, Commerce & Labor Committee Sen. Buehrer was assigned the task of reviewing numerous workers compensation related bills, including:

- HB 15 BWC Budget
- HB 216 Professional Employer Organizations
- SB 213 Workers' Compensation (Workers' Compensation Premium Rates)
- SB 238 Immigrant Workers' Compensation
- SR 118 Workers' Compensation (Workers' Compensation Task Force)

"My experience has prepared me for the challenges of leading the Bureau, and during my time in the General Assembly, I have been involved in nearly all major pieces of legislation impacting the Bureau," Sen. Buehrer said. "I look forward to implementing the Kasich Administration's vision for creating jobs and an economic climate in Ohio in which businesses and families can prosper."

Senator Buehrer is expected to take the BWC Administrator position on January 10, 2011 when Governor-elect John Kasich takes office.

SAFETY NEWS



[Sheakley Safety Supply . . . Just a Click Away](#)

We are excited to keep you updated on the progress of our NEW ON-LINE safety equipment store.

This new product launch, SHEAKLEY SAFETY SUPPLY, is being developed with you in mind and is guaranteed to be your best source to acquire quality, safety equipment for your workplace. You will have *over 5,000 safety items available to you with the best pricing available*. If you're unable to find a specific product that you have been accustomed to using, please let us know and we will be sure to have that item placed on our site.

We are dedicated to making sure that our safety store will be *your #1 safety equipment resource* to assist you in maintaining an accident free environment and reducing your safety budget for 2011.

UNEMPLOYMENT NEWS

[Ohio Unemployment Rate – October](#)

Ohio unemployment rate for October 2010 is 9.9%, an encouraging decrease from the 10.8% in October 2009. The U.S. rate for October 2010 remains at 9.6%.

[Ohio 2011 Tax Rate](#)

Ohio Unemployment tax rates will remain the same, but the ODJFS has increased the mutualization tax from .2% to .4% for all private employers. This results in an overall increase of Ohio's unemployment rates by .2% for 2011.

[Pending UI Legislation](#)

US Senate and House have passed 2 UI integrity provisions as part of the "Claims Resolution Act of 2010, (HR 4783)". The provisions allow for the expanded use of the Treasury offset program, a program which gives states the right to recover UI overpayments from income tax refunds. States have had the right to pursue overpayments from income tax refunds when the overpayment has been found to be a result of fraud, but did not have the same ability when the overpayment was due to other causes. The new authority expands the use of the program to include other reasons besides fraud.

The second provision requires that employers report to the New Hire data base "the date services for remuneration were first performed by the employee". This will help states to identify weeks when an individual is hired, but is still claiming unemployment benefits. The provision greatly increases a states ability to identify fraud and overpayments.

HR 4783 will now be under consideration by the House, where it is considered to have broad support.

LEGISLATIVE NEWS

Ohio Jobless Aid Interest Payments

Policymakers in Ohio want to delay payment or get the unemployment compensation debt excused by the federal government due to the \$99.5 million in interest that is owed in September 2011. Ohio began borrowing from the federal government in January 2009 to pay unemployment benefits due to the unemployment trust fund diminishing. Based on the Legislative Service Commission, the total debt is \$2.31 billion and Ohio is required to begin paying annual interest in September 2011. The projected \$99.5 million is the first interest payment with the following year's annual payment being projected at \$158 million. Ohio is one of the thirty-one states that have borrowed from the federal government to cover regular 26-week unemployment benefits.

House Bill 603 – Hybrid Schools (Morgan)

The House Bill (introduced November 23rd) would permit the establishment of hybrid community schools that provide both online and classroom-based instruction.

House Bill 605 – School Property Taxes (Morgan)

The House Bill (introduced November 23rd) would exempt from property taxation real property procured for use by a school through a for-profit lease.

To learn more about these changes and how they will impact your business, please contact our office at 513-326-4675 x2044 or visit our website at www.sheakley.com.